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Contact: Steve Despain (307) 261-6500
Internet Address: <http://www.sba.gov/wy>

WHAT WYOMING'S LENDERS TOLD THE SBA ABOUT SMALL BUSINESS' ACCESS TO CAPITAL

By Steve Despain, SBA's Wyoming District Director

The U.S. Small Business Administration (SBA) has become the key advocate for Wyoming's small business community during the current slowing economy. The primary issue that many small businesses face today is the availability of capital to fund their current business operations. In order to better understand today's business finance climate, I thought it was necessary to hear from the experts in the field - Wyoming's small business lenders. Recently, I held a teleconference meeting with a group of select bankers from across the state to gain their insight on the current economic situation, and determine what our small business community can do to secure the capital they require.

- First and foremost the Wyoming lenders are not withholding capital from those that want to start a business or expand a business. The majority of the lenders have not changed their criteria for making a loan. They may be looking to an SBA guarantee to take some of the risk out of the loan or they may be looking for a little more down or a little more collateral, but the basic criteria remains the same.
- What appears, on the surface, as a tightening of credit in Wyoming, is really more about small business entrepreneurs and would be entrepreneurs becoming more conservative. Lenders aren't seeing these entrepreneurs "coming through the door." Individuals and businesses are cautious about taking on new debt in today's economy.
- Wyoming has seen "boom and bust times." Lenders have "ridden the wave up, and back down again" and are hesitant in advising businesses to expand or startup in the current economic atmosphere.
- Today lenders are guarded and agree that this may be a time to observe the current state of our economy and see what may happen in the future. Businesses may need to raise cash, reduce debt and "batten down the hatches," be in cash conservation mode and raise liquidity.
- Credit remains available from lenders throughout all segments of Wyoming. Although careful, and mindful of today's current financial situation across the country, lenders remain committed to small business in Wyoming. Given the right circumstances, they remain accessible and available for access to capital for both startups and existing small business.

The SBA, along with resource partners, SCORE and the Small Business Development Center remain dedicated to helping small businesses weather the economic storm. Options are being considered to address recently developing problems in the financial market to ensure that small businesses have access to financing. The most pressing concerns are strategies to help get lending markets open and

moving again. Small business owners that have questions about obtaining a loan, or need assistance with other business issues, should contact our Small Business Economic Hotline at 307-261-6505.

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